

# Bulletins on Health Insurance, Payroll, and Personnel

UPPS Newsletter 2000-05

May 1, 2000

## New Employees in State Government

Secretary Palmore recently issued Personnel Memo 00-06 which addressed the hardship that new employees in state government sometimes experience in having to work for two full pay periods before receiving their first paycheck. This Personnel Memo authorized the agency to release the first paycheck for a new employee as soon as the agency receives the check. This applies only to new employees and the issuance of paychecks for all other employees must be on the usual pay dates of the 15<sup>th</sup> and 30<sup>th</sup> of the month.

Personnel Memo 00-06 also announced the process whereby a new full-time employee may apply for a low interest loan. The Commonwealth Credit Union and the Kentucky Employees Credit Union have agreed to offer these low-interest loans equal to **100%** of the employee's monthly gross salary. (Please note that this is 100% and not 70% as originally stated

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## Employees Who Transfer in the Middle of a Pay Period

These employees have always caused the payroll officers a problem. If an employee stops working in one agency on one day in the middle of the pay period and starts on the next day, what do you do to make sure the correct amounts are paid and the correct deductions are taken? The following are some steps that we recommend.

1. Pay the person an amount using a 700 transaction.
2. Coordinate with the other agency to determine who is going to pay the deductions.
3. If you are going to pay the deductions, make sure that they are all active and calculate the pay to determine if there is enough money to satisfy the deductions and still leave the employee enough to provide him/her a net check.
4. If your agency is the agency that is not paying, make sure that all the deductions are stopped.
5. Sometimes both agencies will have to pay some of the deductions in order to work this out.

All the above precautions will help to prevent refunds and redeposit. And more important ensure that the benefits continue on a timely basis.

### *Personnel Cabinet*

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### *Secretary*

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pershome.htm](http://www.state.ky.us/agencies/personnel/pershome.htm)*

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in Personnel Memo 00-06.) A copy of the loan application form is attached. The loan application form is also available on the Personnel Cabinet's web page at <http://www.state.ky.us/agencies/personnel/empben.htm>. If you have any questions about these options, please contact Jackie Shrout at 502-564-6464.

## **CAPS & Co-op Positions**

There have been some questions raised about whether Co-ops are counted in an agency's CAP. All Co-ops are considered as Interim employees and DO COUNT in the agency's CAP. Before hiring any Co-ops, you will need to send a written request to the GOPM Analyst for your agency to increase your CAP. The request should indicate how many extra positions you are needing. Your GOPM Analyst will let you know once the approval has been given. When the Co-op position is abolished, you will need to contact your GOPM Analyst to adjust the CAP accordingly.

## **Local Tax Update**

Mt. Vernon, 05-84, established a .50% occupational tax effective 4-1-2000.

## **P-1 Processing Notes**

- Based on the new regs, Appointments Up to the Midpoint do not require a letter of justification. Please do not send.
- Work Week Codes are now stored in history
- Quoting a reg is not necessary on Interim appointments.
- If you have an employee on detail who has submitted a resignation, you must revert the employee before resigning.
- Please send letters of Intent to Dismiss to the Processing Branch, Room 531.

## **ATTENTION INSURANCE COORDINATORS- Important Information Regarding Arrears On Deduction 63**

Please remember that you must add the \$5.00 shortfall to the arrears payment on deduction 63. The system automatically deducts \$5.00 for each full arrears payment that you are making for deduction 63. Therefore, if you do not include the \$5.00 shortfall then the amount being wired to the carrier is going to be short. In addition, you cannot do more than 9 full payments in a month for deduction 63 arrears. Also, if you are doing 1999 arrears through the system and you are including the \$4.00 shortfall then you MUST let Carol Kelien, 502-564-6883, know so she can make sure the shortfall money is separated from the amount needing to go to the carrier. Otherwise, if you do not let Carol know, then the system is going to divide the amount of the arrears by the current 2000 employer amount and however many payments there are, the system will take \$5.00 so this could result in a really big shortage to the carrier. We might suggest that you do the 1999 shortfall arrears on a SAS and send the check to Jo Ann McAlister. Also, you can only do 1999 arrears through the system if the employee had the exact same insurance in 1999 as he/she does for 2000.

## **IMPORTANT REMINDERS FOR INSURANCE COORDINATORS!**

1. Information Update Forms (Change forms) must be sent to the Benefits Data Branch when employees retire, resign or are placed on LWOP. Remember, insurance cannot be made effective for the employee elsewhere until the termination canceling their active insurance is done. Also, even if the employee waives health insurance, an update form to term must be completed if they are enrolled in flexible spending.
2. When an employee terms insurance with our group, the insurance is paid through the month following the date of termination. EXAMPLE: employee terms employment 3/5/00, insurance terms 4/30/00.
3. Please notify the Health Insurance Branch when your agency experiences a change of insurance coordinator, if the address changes, or if the telephone number of the coordinator changes. We cannot keep you updated if our information is not current.

Also, we are in the process of updating our materials (Health Insurance Handbook and Application, Commonwealth Choice Booklet and Enrollment Form, etc). If you have any suggestions, please notify the Health Insurance Branch before May 19, 2000, at 1-502-564-6534, toll-free at 1-888-581-8834, or via fax at 1-502-564-0364.



**Kentucky Employees Credit Union**  
100 Moore Drive  
Frankfort, KY 40601-8295  
(502)564-5597, ext. 400  
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Frankfort, KY 40602-0978  
3270-B Nicholasville Road  
Lexington, KY 40503  
(502)564-4775 • (800)228-6420  
(502)564-1001 (Fax)  
www.ccuky.org

## First Check Loan Application\*

(For New Hires Only)

This application may be submitted to the credit union of your choice. Please indicate which credit union (select only one) should receive this application.

- ☐ I would like to apply with **Commonwealth Credit Union**.
- ☐ I would like to apply with **Kentucky Employees Credit Union**.

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Home Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_ Zip \_\_\_\_\_

Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_ Zip \_\_\_\_\_

Home Phone Number (       ) \_\_\_\_\_ Work Phone Number (       ) \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Job Title \_\_\_\_\_

Employer \_\_\_\_\_ Date Of Employment \_\_\_\_\_

The undersigned hereby certifies the above information is true and correct and authorizes the indicated credit union to obtain a credit report.

Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_

**\*Other credit union loans may be available. Please call for more details.**

<b>Annual Percentage Rate</b>	9.90%
<b>Maximum Term</b>	12 Months
<b>Maximum Loan Amount</b>	100% Of First Paycheck
<b>Other Loan Criteria</b>	Must be employed with the State at least 2 weeks but no more than 4 weeks.



### To Be Completed By Employer

Date Of Hire \_\_\_\_\_ Gross Monthly Salary \$ \_\_\_\_\_

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

Work Number (of authorized person) (       ) \_\_\_\_\_

Job Title (of authorized person) \_\_\_\_\_